



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
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WILLIAM T FUJIOKA  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

June 24, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

## CONTRACTS WITH ARIZONA-BASED COMPANIES

On June 1, 2010, your Board adopted a motion as recommended by Supervisors Molina and Yaroslavsky, to oppose Arizona's Senate Bill 1070 related to enforcement of federal immigrations laws.

On June 17, 2010, our Office issued a memo to all department heads instructing departments to refrain from entering into new or amended contracts to purchase goods or services from any company based or headquartered in Arizona. Exceptions to this restriction include situations that: (1) are legally impermissible or impractical, (2) result in significant additional cost to the County, or (3) are pre-approved by this Office.

County Counsel is reviewing existing contracts with Arizona based or headquartered companies that have been identified by County departments. Once this review is complete, a report will be issued to your Board to explain whether or not the contracts can be legally terminated and the time frame in which these contracts can be legally terminated without causing undue harm to the County's interest. Meanwhile, when assessing whether or not the County will make an exemption to the Board's action, our Office will be considering the following criteria:

- The lowest cost for competitively bid commodity contracts or where the cost is a major consideration in a Request for Proposal for service contracts.
- Contracts that are required by law to be awarded to the lowest priced responsible and responsive bidder.

*"To Enrich Lives Through Effective And Caring Service"*

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- The contractor is a sole source or there are no other qualified bidders from other states who provide the required services or supplies.
- The impact on public health or safety, mental health or patient care of County residents/employees.
- The impact on the local economy or on local employment.
- The vendor possesses specialized knowledge about the County's needs that cannot be replaced in an acceptable time frame or without substantial additional cost to the County.
- The availability of other resources to timely assume the contractor's responsibility without the interruption of critical services.
- The additional cost, time and resources required to re-solicit the services or supplies.
- The contractor was specifically designated or named under either a State or federal grant, contract, agreement, Memorandum of Understanding, program or funding stream such that the County lacks the discretion to remove funding from the contractor.
- If an exemption is otherwise required because of some other specific legal requirement relating to the procurement, selection or administration of the contract.

As the review of the identified contracts proceeds, it may be necessary to consider or develop criteria for additional appropriate exemptions. If such necessity arises, our Office will immediately report the circumstances and recommended criteria for consideration to your Board.

Our Office will report to your Board regularly on any Arizona-based contracts that were exempted or cancelled in the form of a monthly report.

If you have any questions, please have your staff contact Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186 or via email at [esandt@ceo.lacounty.gov](mailto:esandt@ceo.lacounty.gov) or Gevork Simdjian at (213) 893-9736 or via email at [gsimdjian@ceo.lacounty.gov](mailto:gsimdjian@ceo.lacounty.gov).

WTF:BC:ES  
GS:cg

c: County Counsel  
Executive Office, Board of Supervisors